GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:6744
ANSWERED ON:08.05.2003
PETRONET LNG PROJECT
V. VETRISELVAN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Petronet LNG promoters who make country`s first LNG project struggling to find buyers for its gas;

(b) if so, the details thereof alongwith factors responsible;

(c) whether the Government propose to examine the inflation of the project cost; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a)&(b) The regassified LNG from Dahej project of Petronet LNG Ltd. will be sold by the three promoters cum offtakers i.e. IOCL BPCL & GAIL. These companies are making efforts for marketing tie up of LNG with customers mainly to deficit consumers of natural gas and others who are presently using costlier fuels/feedstocks like Naphtha/Fo/LSHS/LPG due to non availability of natural gas. Offtakers, prospective consumers and LNG suppliers are negotiating various contractual & commercial terms for tying up of LNG.

(c) The Petronet project was awarded through an International competitive bidding process, where the EPC contract for construction of Dahej project was awarded at the most competitive price. The project construction is on schedule and there is no inflation of project costs.

(d) Does not arise.